



PATENT

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the Application of:

OED FILE NO. G1002

CONFIDENTIAL

Kee-Hung LAI et al

Serial No.: 10/690,821

Filed: October 23, 2003

For: METHOD AND INSTRUMENT FOR EVALUATING SUPPLY CHAIN
PERFORMANCE IN TRANSPORT LOGISTICS

DECLARATION

Mail Stop OED
Attn: James M. Silbermann, Staff Attorney
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Mr. Silbermann:

In response to your letter dated August 27, 2008, identified as file number G1002, I submit and declare the following facts;

- 1) The Declarant agrees with the facts that you set forth in numbered paragraphs 1-7 on Pages 1 and 2 of your letter dated April 27, 2008.
- 2) The Declarant and his firm are well aware of the duty to disclose and the various sections of the 37 CFR that you refer to in your letter. When a client from outside of the United States requests us file a patent application we inform them numerous times during the prosecution of that application about the duty of disclosure. Inter alia we send them the enclosed Information Disclosure Statement (IDS) Summary see Exhibit A.
- 3) The attorneys in Hong Kong, with whom we have dealt with extensively for years, sent the application in question to us. Declarant and his firm believe they are well aware of the duty to disclosure and the ethical standards at the United States Patent and Trademark Office.

In fact, Declarant and his firm have been informed that the Hong Kong attorneys were unaware of the paper entitled "Transportation Research Part E" written by the inventors.

- 4) On March 21, 2007, see Exhibit B, Declarant received a letter from the attorneys in Hong Kong, which gave us the Inventor's Reply Brief to the Examiner's Answer to the Appeal Brief. We did not receive nor did we have time to obtain a copy of the paper "Transportation Research Part E." We did utilize all the pertinent information in the letter dated March 21, 2007 in our Reply Brief filed April 3, 2007.
- 5) The Declarant and his firm was completely unaware of the paper "Transportation Research Part E" prior to the letter of March 21, 2007 and upon being made aware, within a week, supplied it to the Patent and Trademark Office in the form of a Reply Brief filed April 3, 2007.

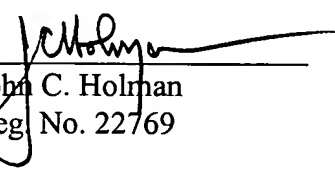
It is submitted that in view of the facts presented above, the Declarant timely disclosed the paper "Transportation Research Part E" and therefore, has engaged in no wrongful conduct under any of the rules or statutes of the Patent and Trademark Office.

I hereby declare that all statements made herein of my knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful and false statements so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application, and patent issued thereon, or any patent to which this declaration is directed.

Respectfully submitted,

JACOBSON HOLMAN PLLC

By: _____


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Information Disclosure Statement (IDS) SUMMARY

DUTY OF DISCLOSURE

The applicant, agent or attorney and/or every individual who is substantially involved in the preparation or prosecution of a patent application has a duty to disclose all information (prior art) material to the examination of the application.

WHAT IS MATERIAL?

Basically, anything that a reasonable Examiner would consider important in deciding allowability of the claims (37 CFR 1.56). Specifically, Rule 56(b) defines "material to patentability" as:

1. establishing by itself or in combination with other information a prima facie case of unpatentability, or
2. refutes or is inconsistent with the position the applicant takes in:
 - 2.1 opposing an argument of patentability relied on by the Patent and Trademark Office (PTO) or
 - 2.2 asserting an argument of patentability.

A prima facie case of unpatentability is established when the information compels a conclusion of unpatentability under the preponderance of evidence, burden-of-proof standard.

HOW CAN THE DUTY OF DISCLOSURE BE COMPLIED WITH?

The Patent and Trademark Office (PTO) requires the filing of an Information Disclosure Statement (IDS) (37 CFR 1.97-1.98).

WHEN TO FILE?

Generally, you must file the IDS within three (3) months of the filing date in the U.S. or when you find out about the information, whichever is later; otherwise there will be a \$180 government processing fee. Specifically:

1. An IDS will be considered by the PTO if filed:
 - 1.1 within 3 months of the **filing date** or 3 months of the date of entry into the **national stage** in the U.S. of a PCT application, or
 - 1.2 before the mailing of the **first Official Action** on the merits, whichever occurs last.
2. If the IDS is filed after 1 above, but before the mailing date of either:
 - 2.1 the **Final Rejection** or
 - 2.2 the **Notice of Allowance**

then the IDS will be considered if accompanied by either a **Certification** or a \$180 government fee.

3. If the IDS is filed after 2 above but before the payment of the **Issue Fee**, it will be considered if it is accompanied by:

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PLLC
EXHIBIT

3.1 a **Certification** and

3.2 a \$180 processing fee requesting consideration of the IDS.

4. A **Certification** must certify:

- 4.1 that each item of information was cited for the first time in any communication from a foreign patent office on an equivalent application less than 3 months ago or
- 4.2 that no item of information was cited for the first time in any communication identified in 4.1 above nor, after reasonable inquiry, was known to anyone with the duty to disclose more than 3 months prior to the **Certification**.

WHAT TO FILE?

- A.) A list and a copy of all relevant information (patents, publications, etc.). When two or more pieces of relevant prior art are substantially identical, send a copy of the representative one and merely list the other(s).
- B.) If any information is not in English and if an English translation is available, such translation must be included, at least of the pertinent portions of the information.
- C.) A **Statement of Relevancy**, which concisely explains how the U.S. pending claims are patentable over each piece of information that is not in the English language and for which a translation is not provided, must be filed. NOTE - it is not necessary to comment on the relevancy of English language information in order to comply with your duty to disclose, but it has been held that failure to point out a relevant passage buried in an otherwise less than relevant or non-relevant text could result in a violation of your duty (MPEP 2002.03).

WHEN DOES THE DUTY END

There is a continuing duty to inform the PTO of relevant information as it becomes known, e.g., references in equivalent foreign applications, litigation, etc. Once the U.S. application issues into a patent, subsequently learned of information can be placed in the file at the PTO but will not be considered by the PTO. If such information is pertinent, a **Re-issue** or **Re-examination** must be considered.

SUMMARY

A duty to disclose continually exists. If in doubt as to the relevancy of a piece of information, err on the safe side and send a copy for filing. We urge that reasons be given why the English language prior art does not teach or make obvious the pending U.S. claims, or ask us to study and comment on the prior art, so a **Statement of Relevancy** can be filed. A **Statement of Relevancy** must be filed for non-English information. Although filing a Statement of Relevancy will increase the cost of the IDS, a savings may ultimately result if the Examiner is convinced not to apply that prior art against the claims.

Should pertinent information be knowingly withheld from the PTO, grant of a patent could be refused.



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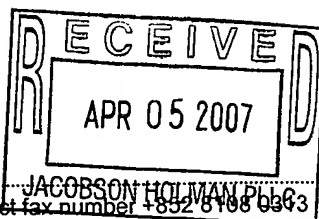


DISPATCHED

at 4:27 pm
on 27/3/07

CONFIDENTIAL

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21 March 2007

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CONFIRMATION

**Non-Extendable
Deadline:
7 April, 2007**

Dear Mr Holman,

**The Hong Kong Polytechnic University
United States of America Patent Application
No. 10/690,821
"Method and Instrument for Evaluating Supply
Chain Performance in Transport Logistics"**

* Thank you for your facsimile dated 16 February 2007. Enclosed please find comments from the inventor for responding to the Examiner's Answer to the Appeal Brief. Please file the response immediately and before the deadline of 7 April 2007.

Please confirm receipt of our instruction by return facsimile and we look forward to your report in due course.

Yours sincerely,

Christopher Britton Toby Mak
Encl.*

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EXHIBIT
B

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We are pleased to announce that Timothy Letters, Patent Attorney, has joined our Patents & Designs Team. He replaces Paul Davies who has recently left the Firm.

This document is confidential and may be legally privileged. If you receive it by mistake, please destroy it and inform us immediately. You must not disclose or use the information in this document if you are not the intended recipient.

US Patent Application No. 10/690, 821 – Inventors' reply brief to the Examiner's Answer to the Appeal Brief

Ground of Rejection – *The following ground(s) of rejection are applicable to the appealed claims:*

Claims 1-9, 11 and 12 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which as not described in the specification in such a way to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/ or use the invention. Structure of the instrument for evaluating supply chain performance is not enabled by the disclosure. Claims 1-4, 6-9, 11 and 12 are directed to instruments with a plurality of measurement items divided into at least three dimensions. Claim 5 is a method claim directed to providing an instrument that evaluates performance based on measurement items. The specification, from page 7, line 18-page 8, line 22, discusses domain specification and instrument development, including a state that service effectiveness of shippers (SES) and service effectiveness for consignees (SEC) may be operationalised by five broad categories of logistics performance and is not related any instrument (page 8, lines 6, 7). The disclosure does not include any disclosure for how any instrument would relate measurement items for SES, SEC or OE to the supply chain performance.

One of ordinary skill would not have been enabled to carry out the invention. None of the cited prior art (US Patent No. 6, 648,899, US Patent Application Publication 2002/0049622), US Patent Application Publication 2002/ 001606) teaching using an instrument that includes all the measurement items in the claims to evaluate supply chain performance. While the '899 patent to Bush displays logistics information, it does not teach how measurement items may be collected with a questionnaire, which is disclosed as an instrument in the specification, or how any such measurement may be used to evaluate supply chain performance. The prior art along with the disclosure does not enable one of ordinary skill to make and use the instrument claimed.

The instrument is not predictable, and the inventor provides little guidance. The specification does not disclose any specific way to measure the measurement items. Only a questionnaire is disclosed. Given the wide variety of ways measurement items could be collected and used together to evaluate performance, the results would not have been predictable.

The specification provides an example in the form of a pilot test that is described on pages 9-13 and in Figures 3-8. However, the example does not show how the measurement items are measured or how they are related to results for performance.

One of ordinary skill would be reduced to trial and error and would require an undue amount of experimentation to duplicate the experimental results disclosed in the pilot test since it is not known how the measurement items are measured or used to get the performance results.

Response to Argument - Appellant states that claims 1-9 and 11-12 are definite, sufficiently supported by the specification and include the elements that are critical or essential to the practice of the invention. Appellant further states that "broad language in the disclosure, including the abstract, omitting an allegedly critical feature tends to rebut the argument of criticality (see M.P.E.P 2164.08©)." While missing features may not be critical or essential to the invention, it is maintained that claims 9-11, 11 and 12 do not meet the enablement requirement because the claims contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/ or use the invention.

Appellant states that the 26 measured items are descriptive, and a person of ordinary skill in the related art of supply chain performance immediately utilize the response to each of the items to evaluate the performance. Appellant states that it is typical to set a value of "1" to "5" for the level of satisfaction. However, neither the specification, the prior art or any indication of the skill of ordinary skill in the prior art teaches how any such values would be used to determine the supply chain performance.

Appellant states that the questionnaire is, in fact, an enabling mechanism that makes it possible for users to evaluate their supply chain performance in the context of transport logistics. However, as stated above, there is no disclosure for how any information gathered from such a questionnaire would be used to evaluate supply chain performance. Further, this missing information is not found in the prior art or the knowledge of one of ordinary skill in the art.

Inventors' response and dispute of the rejection:

With regard to the claim rejection based on the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by inventor of carrying out this invention.

Our invented instrument, which consists of 26 measurement items in the form of a questionnaire, for evaluating supply chain performance in transport logistics is indeed enabling. Each of the 26 measurement items constitutes a standard five-point measurement scale, with 1 = much worse than the competition, 2 = worse than the competition, 3 = same to the competition, 4 = better than the competition, and 5 = superior to the competition, to quantitatively evaluate one specific aspect of the multi-faceted supply chain performance in transport logistics.

The evaluation results enable the user to understand their firm's supply chain performance in transport logistics, and to identify their firm's performance strengths and

weaknesses. To evaluate performance with respect to each of the 26 items, the user can compare their self-evaluated score point on an item with the medium point, i.e., the 3.0 value, of the scale, where an item (or the collection of items for service effectiveness for shippers - SES, operations efficiency - OE, and service effectiveness for consignees - OE) attaining a score point 3.0 or below indicates poor performance in that area, and an item (or a collection of items for a particular area) attaining a score point above 3.0 indicates good performance in that area.

In evaluating supply chain performance at a higher level of abstraction for the first-order factor structure (SES - 9 items, OE - 8 items, SEC - 8 items) and for the second-order factor structure (SCP in transport logistics - 26 items altogether), the user can take the average of the scores of their underlying items and compare the average value with the medium 3.0 point value of the five-point scale. A user firm achieving a value above 3.0 in SCP in transport logistics is regarded as a high performer, indicating the firm has made conscientious efforts to enhance its SCP in transport logistics, whereas a user firm achieving a value of 3.0 or below is regarded as a low performer in that particular item (or a factor constituted by a corresponding collection of items).

In response to the examiner's objection on the grounds that "the disclosure does not include any disclosure for how any instrument would relate measurement items for SES, SEC or OE to the supply chain performance", we wish to highlight that the classification of the 26 measurement items into the three different factors of SES, SEC, and OE was detailed in pp. 453-454 of our original paper in *Transportation Research Part E*, Vol. 38, 2002, pp.439-456.

We dispute the examiner's statement that "the instrument is not predictable, and the inventor provides little guidance. The specification does not disclose any specific way to measure items." Our instrument is a questionnaire that is made up of 26 measurement items, each of which is measured on a five-point scale. As detailed in pp.446-447 of our original paper in *Transportation Research Part E*, the instrument (26 measurement items) was tested and the results of validity and reliability tests conducted to date testify the instrument is a very reliable and predictable tool. Our results show a Cronbach's alpha coefficient value > 0.70 which indicates that the measurement items for SES, SEC and OE are internally consistent. The instrument was further validated by item-to-total correlation test and confirmatory factor analysis. The classification of these 26 items into the three factors of SES, SEC and OE was clearly specified in our original paper in *Transportation Research Part E*. Given these specifications, the evaluation results constitute a prediction of the user firm's supply chain performance in transport logistics. The logic of the evaluation process is similar to that of using a patented algorithm for prediction, whereby a user firm's performance on a particular item (or a collection of items) in supply chain performance in transport logistics is a function of the score point the user firm assigns through self-evaluation to that particular item (or a collection of items) on the five-point scale, with an evaluation value above 3.0 indicating good performance and an evaluation value of 3.0 or below indicating poor performance.

This self-diagnostic method and instrument, as well as the structure of the instrument for evaluating supply chain performance in transport logistics, were detailed in p.451 of our original paper in *Transportation Research Part E*. Following are relevant extracts from our paper.

"The multidimensional conceptualizations, i.e., SES, OE and SEC, provide insights into the construct of SCP in transport logistics and its relationships with the underlying dimensions. First, the items (9 for SES, 8 for OE and 9 for SEC) and the sub-dimensions (e.g. SES-REL, OE-COST, SEC-REL) of the construct are specific to the transport logistics context. They provide direct and actionable information on SCP in transport logistics at item and sub-dimension levels. Second, conceptualization of the construct at higher levels, i.e., first- (SES, OE, SEC) and second-(SCP in transport logistics) levels, provide managers with an opportunity to look at SCP in transport logistics at a higher level of abstraction beyond the individual item and sub-dimension tiers."

"At the individual item and sub-dimensions levels, managers might look at the performance for each individual item and sub-dimension and may identify areas in need of special attention. For instance, if a service provider underperforms in the SES-REL item "fulfill promises to shippers", this would signal a need for improvement actions for that particular item. On the other hand, an analysis of the construct at a higher level of abstraction offers several potentially critical advantages. It may reveal patterns not readily by studying individual items and sub-dimensions only. For instance, a service provider underperforms in certain SES items and outperforms in certain SEC items. If the items and sub-dimensions were not grouped according to the models validated in this study, managers would have no clue to identifying areas for improvement or for formulating strategic initiative. Performance evaluation at a higher level of abstraction helps to reveal the necessity for improvement actions in one area (e.g. SES) or prescribe a strategy for maintaining performance in another area (e.g. SEC), where the service provider may have gained a competitive edge."

It is obvious that a person of ordinary skill can immediately use the 26-item instrument, i.e., the questionnaire, to evaluate their firm's supply chain performance in transport logistics by assigning a value on the five-point scale through self-evaluation to each of the 26 items and predicting the performance outcome based on our item classification schema. It follows that the examiner's enablement rejection under U.S.C. 112 to the first paragraph in our patent application is moot. The missing features considered by the examiner, if any, can be added back to the specification in the disclosure of our prior art to expose its inherent enablement trait.

Kee-hung Lai, E. W. T. Ngai, T. C. E. Cheng

The Hong Kong Polytechnic University

12 March 2007